



EU Code of Conduct (CoC) on Responsible Food Business and Marketing Practices

Contacts

Annick Pleysier <mailto:annick.pleysier@bayer.com>

Tomas Zaborowski tomas.zaborowski@bayer.com

Veerle Mommaerts veerle.mommaerts@bayer.com

2021-2025

Table of Contents

INTRODUCTION	3
RATIONALE	3
MOTIVATION	3
COMMITMENTS	4
Objective A03	5
Target	5
Objective A04	5
Report	5
Objective A05	6
Target	6
Report	6
Objective A06	6
Target	6
Report	7
CLARIFICATION	7
EXTERNAL INFORMATION SOURCES	7

INTRODUCTION

At Bayer Group, we view sustainability as a growth driver for our business. In line with the global Sustainable Development Goals (SDGs) of the United Nations, we have established ambitious targets and want to be judged in the future on how effectively we attain them. Our sustainability strategy represents our enhanced focus on increasing the overall societal impact of our business activities.

We, therefore, welcome initiatives like the EU Code of Conduct on Responsible Food Business and Marketing Practices uniting food system stakeholders behind a common aspirational path towards sustainable food systems. As a global business that operates in the areas of agriculture and healthcare, the Bayer Group, wants to take its responsibility and commits to contribute to the objectives and targets identified in the EU Code of Conduct.



Figure 1. Our focus SDGs and our impact

RATIONALE

A first analysis was conducted to assess how the objectives defined in the Code of Conduct were related to objectives and targets set within the Bayer Group. Based on this analysis, specific targets were selected to focus on the topics on which the company has the largest societal and environmental impacts. In a next step, for each of these targets KPIs were defined to measure progress.

MOTIVATION

At Bayer, we believe that future innovation will be judged not by its ability to produce more, but to produce better. Our long-term success lies not in selling more products, but in providing farmers with the best tools and solutions so that they can grow enough using fewer natural resources. Shaping the future of agriculture cannot be accomplished alone. It requires collaboration and transparency with farmers, innovators, and consumers. Together, we're embracing the seemingly impossible to help secure a better tomorrow.

We know that the size of our business alone means we must and can make a significant contribution to sustainable development. We also know that our industries, especially the agriculture sector, are among the causes of challenges such as climate change, loss of biodiversity, extreme weather conditions and water crises.

We, therefore, have set our own targets for 2030 that will make a relevant contribution to achieving the UN Development Goals – based on our core competencies – and the objectives contained in this Code of Conduct.

COMMITMENTS

In this section, we present the commitments, we consider related to the Code of Conduct, in which the Bayer Group focuses. These commitments can be differentiated between targets and continuous standardized reporting:

- Targets: for which we will monitor and report progress
- Reporting transparently aligned to the guidelines of the Global Reporting Initiative (GRI) and the 10 principles of the U.N. Global Compact (UNGC). Additionally, we consider the relevant requirements of the Sustainability Accounting Standards Board (SASB) relevant to us “Biotechnology & Pharmaceuticals,” “Chemicals” and “Agricultural Products”. In our climate reporting, we follow the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

We also use, for example, the international recommendations and guidelines of the OECD and ISO 26000 as a guide when defining and selecting nonfinancial indicators and in our reporting. In selecting and measuring our key data, we take into account the recommendations of the Greenhouse Gas Protocol with respect to greenhouse gas emissions and those of the European Federation of Financial Analysts Societies, the World Business Council for Sustainable Development, the European Chemical Industry Council (CEFIC) and the International Council of Chemical Associations (ICCA) with respect to other nonfinancial indicators.

The following table presents the specific EU Code of Conduct targets and the respective Bayer Group commitments.

Table 1. EU CoC Targets and the Bayer Group Commitments

CoC Obj.	EU CoC Targets	Bayer Group Commitments
AO3	a. Reducing net emissions from own operations, contributing to a 55% GHG emission reduction target in the EU food chain by 2030.	Climate neutrality of our sites and achievement of a Science Based Target
AO4	a. Improved resource-efficiency within own operations, contributing to sustainable, efficient use and management of energy and	Report yearly R&D investments

	<p>natural resources in operations by 2030;</p> <p>b. Improved sustainability of food and drink packaging, striving for all packaging towards circularity by 2030.</p>	
AO5	<p>a. Improved resilience and competitiveness of companies operating at any point along the food value chain by 2030;</p> <p>b. Quality jobs, skilled workforce and safe and inclusive workplaces for all.</p>	<p>100 million smallholder farmers in LMICs given support by 2030.</p> <p>Report yearly our core social indicators.</p>
AO6	<p>a. Improved resilience and competitiveness of companies operating at any point along the food value chain by 2030;</p> <p>b. Continued progress towards sustainable production, contributing to sustainable management and efficient use of natural resources by 2030 and improved animal welfare.</p>	<p>30% environmental impact reduction of our crop protection products</p> <p>Report yearly on the status of the Food Chain Partnership.</p>

OBJECTIVE AO3

Target

Our climate protection target corresponds to the objective of the Paris Agreement to limit global warming to 1.5 degrees Celsius. Our climate strategy comprises wide-ranging measures to reduce greenhouse gas emissions within our company and along our entire value chain. By the **end of 2029, we will reduce CO₂ emissions from our own business operations by 42%** by increasing energy efficiency at our sites and **sourcing 100% of our electricity from renewable energies.**

We have developed robust indicators and targets that build upon internationally recognized life cycle assessment methodologies. Specific to GHG emissions, we are measuring the impact and adoption rate of our solutions by tracking them against the current 5-year average of market practices for the main crops in Bayer's key regions. In addition, all of our data is being reviewed and verified by an independent third party. As we move forward, we will transparently track all of our progress.

OBJECTIVE AO4

Report

For transparency, our commitment hereby is to include our R&D investments in the yearly report as an indicator.

OBJECTIVE AO5

Target

In many rural geographies in low- and middle-income countries (LMICs), smallholder farmers are the backbone of food security in their communities and thus play a crucial role in improving the quality of life; they feed more than half of the population in developing countries. A large segment of smallholders faces significant challenges including low productivity due to the lack of access to good quality crop inputs and inadequate knowledge of agricultural practices to improve productivity, along with affordable financing options and market access to sell their produce competitively. **By 2030, we commit to help 100 million smallholder farmers to earn sustainable farm incomes and improve rural livelihoods.** To achieve this goal, we shall further expand our product and service portfolio for smallholder farmers, including innovative business models and digital solutions across the entire crop system. To this end, we will establish crop value chain partnerships to deliver high-quality inputs, agronomy knowledge, cost-effective financing and risk mitigation solutions and market linkages to sell their produce. These will include collaborations with, for example, government research institutes, NGOs and international financial institutions. Additionally, Bayer does not intend to enforce its IP rights against smallholder farmers for private and non-commercial use of farm-saved seed to escape extreme poverty and will collaboratively work to integrate them into the world of commercial farming to improve their livelihood.

Report

Responsibility for steering and monitoring health, safety and environmental protection across the Group lies with Corporate Health, Safety & Environment (CHS), which is assigned to the member of the Board of Management responsible for Crop Science. The enabling function establishes responsibilities, targets, key performance indicators and framework conditions. These include the corporate policy entitled “HSE Management and HSE Key Requirements”. The continuous review and revision of corporate policies by the HSE enabling function, regular mandatory internal audits and external certification processes ensure that the systems at all sites meet the requirements in each case. Our commitment is to yearly report our core social indicators.

OBJECTIVE AO6

Target

We aim to **reduce the environmental impact** of our crop protection products in important crops **by 30%** and expect this to have a positive impact on biodiversity. To achieve more sustainable production, we will implement the principles of the circular economy.

We have already confirmed an industry-first externally developed model that can measure the environmental impact of any crop protection product in any crop around the world. So far, we have used this model to screen our entire portfolio and its usage around the world to better understand the sustainability implications. With this baseline measurement, we can identify the crops and countries with relatively high environmental impact of crop protection and where we can make a difference. Going forward, we will regularly assess the overall adoption of the impact-reducing levers we bring to these markets against the current market standard. We will then be able to determine the overall environmental impact reduction of our crop protection against the **baseline** — and against our 30 percent reduction commitment by 2030.

Report

We commit to **yearly report the status of the Food Chain Partnership**, which is an innovative platform to promote partnerships and address challenges throughout our food system. Our Food Chain Partnership brings together farmers, food processors, retailers, traders, and others along the food value chain to work together for sustainable agriculture. By sharing collective insights, goals, and resources, everyone contributes in tangible Food Chain Partnership initiatives to improved sustainability, food safety, quality, yields, and transparency.

CLARIFICATION

Most of the topics of this submission concerns commitments undertaken **prior** to the launch of the Code of Conduct:

- The Bayer Commitments were launched in 2019;
- The Bayer Sustainability Report from 2020 provides more details about the targets and reporting structure,

EXTERNAL INFORMATION SOURCES

1. Bayer Sustainability Report 2020 ([here](#)).
2. Bayer Annual Report 2020 ([here](#)).
3. Bayer Crop Science – Our Commitments ([here](#)).
4. Bayer Crop Science – Reducing Agriculture’s Environmental Impact ([here](#)).
5. Bayer Crop Science – Food Chain Partnership ([here](#)).